

A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

December 14, 2001

10:00 a.m.

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES - November 2, 2001
- III. CHAIR'S REPORT
- IV. WATER SUPPLY REPORT - NRCS
- V. FEASIBILITY REPORTS
 - E063 Leamington Irr. Co. Millard
- VI. COMMITMENT OF FUNDS
 - D776 Summit Water Distribution Co. Summit
 - D942 Ferron Canal & Reservoir Co. Emery
 - E055 Herriman Pipeline & Development Co. Salt Lake
- VII. SPECIAL ITEMS
 - D905 Irr. Co. of the West Fork of Grouse Creek Box Elder
(Amendment)
 - L530 North Salt Lake City (Amendment) Davis
 - L542 Loa Town (Withdrawal) Wayne
- VIII. APPROVAL OF NEXT YEAR'S BOARD MEETING SCHEDULE
- IX. DIRECTOR'S REPORT
- X. OTHER ITEMS
- XI. NEXT BOARD MEETING - January 18, 2002 - Salt Lake City
- XII. ADJOURNMENT

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

December 14, 2001

8:30 a.m.

- I. WELCOME Chair Taylor
- II. DISCUSSION OF PROJECTS Board/Staff
- III. CAPITAL RESERVE FUND Board/Staff
- IV. OTHER ITEMS

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

December 14, 2001

| | |
|--------------------------------------|--------------|
| Funds Available for Projects This FY | \$ 6,391,000 |
|--------------------------------------|--------------|

Projects Contracted This FY

| | | |
|----------------------------------|---------------|----------------|
| 1 Mona IrrCo | E048 | \$ 326,000 |
| 2 Toney IrrCo | E054 | 30,000 |
| 3 Red Creek IrrCo | E038 | 42,500 |
| 4 Devils Pass WaterCo | D964 | 327,000 |
| 5 Deseret IrrCo | E056 | 200,000 |
| 6 Grantsville IrrCo | E050 | 288,000 |
| 7 Puite Res & IrrCo (Puite Dam) | C022 Grant ** | <u>220,000</u> |

| | |
|------------------------|--------------|
| Total Funds Contracted | \$ 1,434,000 |
| Funds Balance | \$ 4,957,000 |

Projects with Funds Committed

| | | |
|---------------------------------------|---------------|----------------|
| 1 Chalk Creek Narrows IrrCo (Amend) | E019 | \$ 750,000 |
| 2 Parowan WestFields IrrCo | E044 | 15,200 |
| 3 Green River CanalCo | E046 | 35,000 |
| * 4 Herriman Pipeline & DevelopmentCo | E055 | 637,000 |
| 5 Kays Creek IrrCo (Adam s Dam) And | C001 Grant ** | 4,000 |
| Comm iments for Dam Safety Studies | ** | <u>201,000</u> |

| | |
|-----------------------|--------------|
| Total Funds Committed | \$ 1,642,000 |
| Funds Balance | \$ 3,315,000 |

Projects Authorized

| | | |
|-------------------------|------|---------------|
| 1 BeaverBench IrrCo | D918 | \$ 280,000 |
| 2 Croydon Pipeline Co | D962 | 35,000 |
| 3 North Canyon IrrCo | D955 | 315,000 |
| 4 Don Anderson | E008 | 170,000 |
| 5 EastBench CanalCo | E032 | 256,000 |
| 6 Scrib IrrCo | E049 | 570,000 |
| 7 Marion Waterworks Co | E053 | 320,000 |
| 8 Deseret IrrCo | E056 | 520,000 |
| 9 Fremont Waterworks Co | E057 | 150,000 |
| * 10 Leamington IrrCo | E063 | <u>68,000</u> |

| | |
|---------------------------|--------------|
| Total Funds Authorized | \$ 2,684,000 |
| Remaining Funds Available | \$ 631,000 |

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

December 14, 2001

| | | |
|--------------------------------------|----|-----------|
| Funds Available for Projects This FY | \$ | 1,346,000 |
|--------------------------------------|----|-----------|

Projects Contracted This FY

| | | |
|--------------------|----|-----------|
| 1 | \$ | - |
| Total Bonds Closed | \$ | - |
| Funds Balance | \$ | 1,346,000 |

Funds Committed to Projects

| | | | |
|-----------------------|------|----|-----------|
| 1 Pleasant Grove City | E003 | \$ | 150,000 |
| Total Funds Committed | | \$ | 150,000 |
| Funds Balance | | \$ | 1,196,000 |

Projects Authorized

| | | | |
|--------------------------------|------|----|-------------|
| 1 Hanna Water & Sewer District | D983 | \$ | 1,146,000 |
| 2 Trenton Town | L534 | | 1,304,000 |
| Total Funds Authorized | | \$ | 2,450,000 |
| Remaining Funds Available | | \$ | (1,254,000) |

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

Conservation & Development Fund Funding Status

December 14, 2001

Funds Available for Projects This FY \$ 10,831,000

Projects Contracted/Bonds Closed This FY

| | | |
|---|------|---------------|
| 1 Nibley City | L525 | \$ 125,000 |
| 2 River Heights City | L537 | 839,000 |
| 3 Davis & Weber Counties Cnl Co (Ph II) | E035 | 2,425,000 |
| 4 Willard City | L538 | 425,000 |
| 5 Alpine City (Bond Ins Grant) | E051 | 75,000 |
| 6 Tooele City (Bond Ins Grant) | E052 | <u>80,000</u> |

| | |
|-------------------------------|---------------------|
| Total Funds Contracted/Closed | <u>\$ 3,969,000</u> |
| Funds Balance | <u>\$ 6,862,000</u> |

Funds Committed to Projects

| | | |
|--|------|------------------|
| 1 Holiday Water Co | D906 | \$ 500,000 |
| 2 Weber Basin W CD (Secondary Irr, Ph I) | E029 | 531,000 |
| 3 Nordic Mountain Water, Inc. (Amend) | E007 | 293,000 |
| 4 Morgan Secondary Water Association | E031 | 2,790,000 |
| * 5 North Salt Lake City (Amend) | L530 | 440,000 |
| * 6 Fennon Canal & Reservoir Co | D942 | 2,000,000 |
| * 7 Summit Water Distribution Co | D776 | <u>3,000,000</u> |

| | |
|-----------------------|-----------------------|
| Total Funds Committed | <u>\$ 9,554,000</u> |
| Funds Balance | <u>\$ (2,692,000)</u> |

Projects Authorized

| | | |
|--|------|----------------|
| 1 Utah W CD (Red Wash) | D730 | \$ 1,940,000 |
| 2 Springville City (Culinary) | L522 | 300,000 |
| 3 Strawberry High Line Canal Co | D976 | 3,187,000 |
| 4 Price-Wellington Control Board | D999 | 3,925,000 |
| 5 Kanab Irr Co | D968 | 62,000 |
| 6 Center Creek Culinary Water Co | E020 | 450,000 |
| 7 Ivins City | L533 | 440,000 |
| 8 Bristlecone W ID | E026 | 935,000 |
| 9 Utah W CD (Island Ditch) | E036 | 720,000 |
| 10 Mountain Regional Water SSD | E040 | 1,675,000 |
| 11 Price City | L540 | 3,750,000 |
| 12 Wellsville-Mendon Conservation District | E058 | <u>192,000</u> |

| | |
|---------------------------|------------------------|
| Total Funds Authorized | <u>\$ 17,576,000</u> |
| Remaining Funds Available | <u>\$ (20,268,000)</u> |

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

December 14, 2001

| ADDITIONAL ACTIVE PROJECTS | Fund | Est. Board Cost | Total Cost |
|---|------------|-----------------|----------------|
| Authorized or Committed Projects | | | |
| 1 Davis & Weber Counties Cnl Co (Ph 4) | D 674 C&D | \$ 10,925,000 | \$ 12,853,000 |
| 2 Carbonville Ditch Co | D 887 RCF | 462,000 | 597,000 |
| 3 Central Utah W CD (Prepay FY 98,99,00) | D 960 C&D | 3,000,000 | 3,000,000 |
| 4 Washington County W CD (Irrigs) | D 925 C&D | 1,390,000 | 5,100,000 |
| 5 Weber Basin W CD (Secondary Irr, Ph 2-5) | E 029 C&D | 28,369,000 | 33,375,000 |
| 6 Davis & Weber Counties Cnl Co (Cnl Rehab) | E 035 C&D | 18,230,000 | 21,447,000 |
| Subtotal | | \$ 62,376,000 | \$ 76,372,000 |
| Projects Under Investigation | | | |
| 1 Downs Ditch Water Co | D 899 RCF | \$ 7,500 | \$ 10,000 |
| 2 Juab Lake Irr Co | D 901 RCF | 75,000 | 100,000 |
| 3 K Ranch LLC | D 954 RCF | 206,250 | 275,000 |
| 4 Hooper Irr Co (Irr Pipeline) | D 995 RCF | 93,750 | 125,000 |
| 5 Keith Johnson | D 996 RCF | 37,500 | 50,000 |
| 6 Billy Bethers Spring, Cul, & Domestic | E 021 RCF | 300,000 | 400,000 |
| 7 Fountain Green Irr Co | E 042 RCF | 285,000 | 380,000 |
| 8 Ephraim Irr Co | E 061 RCF | 2,100,000 | 2,800,000 |
| 9 Porcupine Highline Canal Co | E 062 RCF | 75,000 | 100,000 |
| * 10 Marion Park Estates | E 065 RCF | 173,250 | 231,000 |
| 11 Summit County Service Area #3 | E 045 CW L | 414,750 | 553,000 |
| 12 Woodruff Irrigating Co | D 680 C&D | 600,000 | 800,000 |
| 13 Kane County W CD | D 828 C&D | 1,500,000 | 2,000,000 |
| 14 Richfield City | D 898 C&D | 450,000 | 600,000 |
| 15 Uintah W CD (Leota Bench) | D 944 C&D | 750,000 | 1,000,000 |
| 16 Midway Irr Co (Ph 2,3) | D 949 C&D | 7,275,000 | 9,700,000 |
| 17 Springville City (Secondary Irr) | D 967 C&D | 13,500,000 | 18,000,000 |
| 18 East Carbon City (Dam) | D 969 C&D | 7,500,000 | 10,000,000 |
| 19 Silver Spurs Water Co | D 990 C&D | 21,000 | 28,000 |
| 20 Gunnison Butte Mutual Irr Co | E 004 C&D | 10,500,000 | 14,000,000 |
| 21 Town of Almont | E 012 C&D | 142,500 | 190,000 |
| 22 Draper Irr Co | E 023 C&D | 4,050,000 | 5,400,000 |
| 23 City of South Jordan | E 034 C&D | 2,253,000 | 3,004,000 |
| 24 Payson City (Waker Flat) | E 037 C&D | 7,500,000 | 10,000,000 |
| 25 Hyrum Blacksmith Fork Irr Co | E 047 C&D | 2,025,000 | 2,700,000 |
| 26 Town of Brian Head | L 541 C&D | 2,700,000 | 3,600,000 |
| 27 Hooper Irr Co (Press Irr) | E 060 C&D | 15,168,750 | 20,225,000 |
| Subtotal | | \$ 79,703,250 | \$ 106,271,000 |
| TOTAL | | \$ 142,079,250 | \$ 182,643,000 |

* New Applications

BOARD OF WATER RESOURCES

December 14, 2001

Long Term Large Water Conservation Projects

| | |
|---------------------------------|-------|
| 1 Sanpete W CD (Narrows Dam) | D 377 |
| 2 Wayne County W CD | D 494 |
| 3 Cedar City Valley Water Users | D 584 |
| 4 Bear River W CD | D 738 |
| 5 Mapleton City | D 886 |

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-063**

Received: 10/30/01

To be Presented at the December 14, 2001 Board Meeting

SPONSOR: **LEAMINGTON IRRIGATION COMPANY**

President: Sylvan Lovell

LOCATION: The proposed project is located just west of the town of Leamington, about 22 miles northeast of Delta in Millard County.

EXISTING CONDITIONS & PROBLEMS: The sponsor delivers water from the Sevier River to 25 shareholders flood irrigating about 1,200 acres of farmland. Five shareholders, irrigating about 80 acres west of Leamington, receive water through the Lovell Ditch; a section of this ditch runs next to the gorge in which the Sevier River flows. Due to rodents and the 30-foot drop into the gorge, the sponsor has had problems with the ditch washing out into the gorge. In spite of the sponsor concrete-lining the ditch through this area (the rest of the Lovell Ditch is unlined), a washout occurred again last August, destroying the ditch and washing a sizable gully to the Sevier River.

The ditch loses an estimated 100 acre-feet annually to seepage, plus the sponsor spends about \$800 each year regrading the ditch and cleaning away brush and willows.

PROPOSED The sponsor is requesting financial assistance from

PROJECT: the board to replace the Lovell Ditch with 3,700 feet of 21-inch PVC pipeline. The project will also include two concrete transition structures and eight turnouts. The Natural Resources Conservation Service (NRCS) in Cedar City will design the project and inspect construction.

The project fits in Prioritization Category 3
(agricultural project that will provide significant
economic benefit to area).

COST ESTIMATE: The following cost estimate was prepared by the NRCS
and reviewed by staff:

| <u>Ite</u> <u>m</u> | <u>Description</u> | <u>Quantity</u> | <u>Unit</u> <u>Price</u> | <u>Amount</u> |
|------------------------|--|-----------------|-----------------------------|---------------|
| 1. | 21-inch PVC Pipe | 3,700 LF | \$15.45 | \$ 57,165 |
| 2. | 21"x14" Tees | 8 EA | 250 | 2,000 |
| 3. | Valve | | | |
| | a. 20-inch | 1 EA | 3,000 | 3,000 |
| | b. 14-inch | 8 EA | 750 | 6,000 |
| 4. | Concrete Structure | 2 EA | 1,000 | <u>2,000</u> |
| | Construction Cost | | | \$ 70,165 |
| | Contingencies | | | 6,835 |
| | Legal, Administrative, and Engineering | | | <u>3,000</u> |
| | TOTAL | | | \$ 80,000 |

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

| <u>Agency</u> | <u>Cost Sharing</u> | <u>% of Total</u> |
|--------------------------|---------------------|-------------------|
| Board of Water Resources | \$ 68,000 | 85% |
| Sponsor | <u>12,000</u> | <u>15</u> |
| TOTAL | \$ 80,000 | 100% |

If the board authorizes the project, it is suggested
it be purchased with annual payments of \$3,700 at 0%
interest over approximately 19 years.

FINANCIAL
FEASIBILITY:

Benefits from installing the project are estimated as the value of 100 acre-feet of agricultural water annually, plus savings in ditch operation and maintenance costs:

| | |
|--|-------------|
| Annual Benefit of Water Savings | \$ 3,900 |
| Annual Reduction of Ditch O&M | 800 |
| Less Estimated Project O&M Costs (0.5% x Construction Cost) | <u>-400</u> |
| ANNUAL NET BENEFIT | \$ 4,300 |

With the proposed board share of the project being 85%, it is suggested the sponsor's repayment ability be calculated as approximately 85% of the annual net benefit, or \$3,700 per year.

BENEFITS:

The proposed project will keep the sponsor's irrigation system functioning, reduce ditch maintenance, and save an estimated 100 acre-feet annually.

PROJECT
SPONSOR:

The Leamington Irrigation Company was organized shortly after pioneers settled the area in 1871, was incorporated in 1945, and is presently registered in good standing with the state Department of Commerce. The company serves 25 shareholders irrigating about 1,200 acres and holding about 1,500 shares; the company assessed its shareholders \$10 per share this past year.

The company received about \$25,500 from the board in 1983 to help repair flood damage to its main diversion structure and first mile of main canal. Annual payments of about \$1,400 are being made to the board through 2003 for that project.

WATER RIGHTS
& SUPPLY:

Project water right 68-3003 is presently in the name of the board for the 1983 project. This right is a primary, direct flow right on the Sevier River for 23.6 cfs (Cox Decree).

EASEMENTS:

The project will be installed in existing ditch rights-of-way, and will cross under a state road and a railroad.

ENVIRONMENTAL: All pipeline will be installed in existing ditch rights-of-way. The only disruption of wildlife habitat will be along existing ditch banks.

WATER
CONSERVATION: An estimated 100 acre-feet annually will be prevented from seeping into earth ditches.

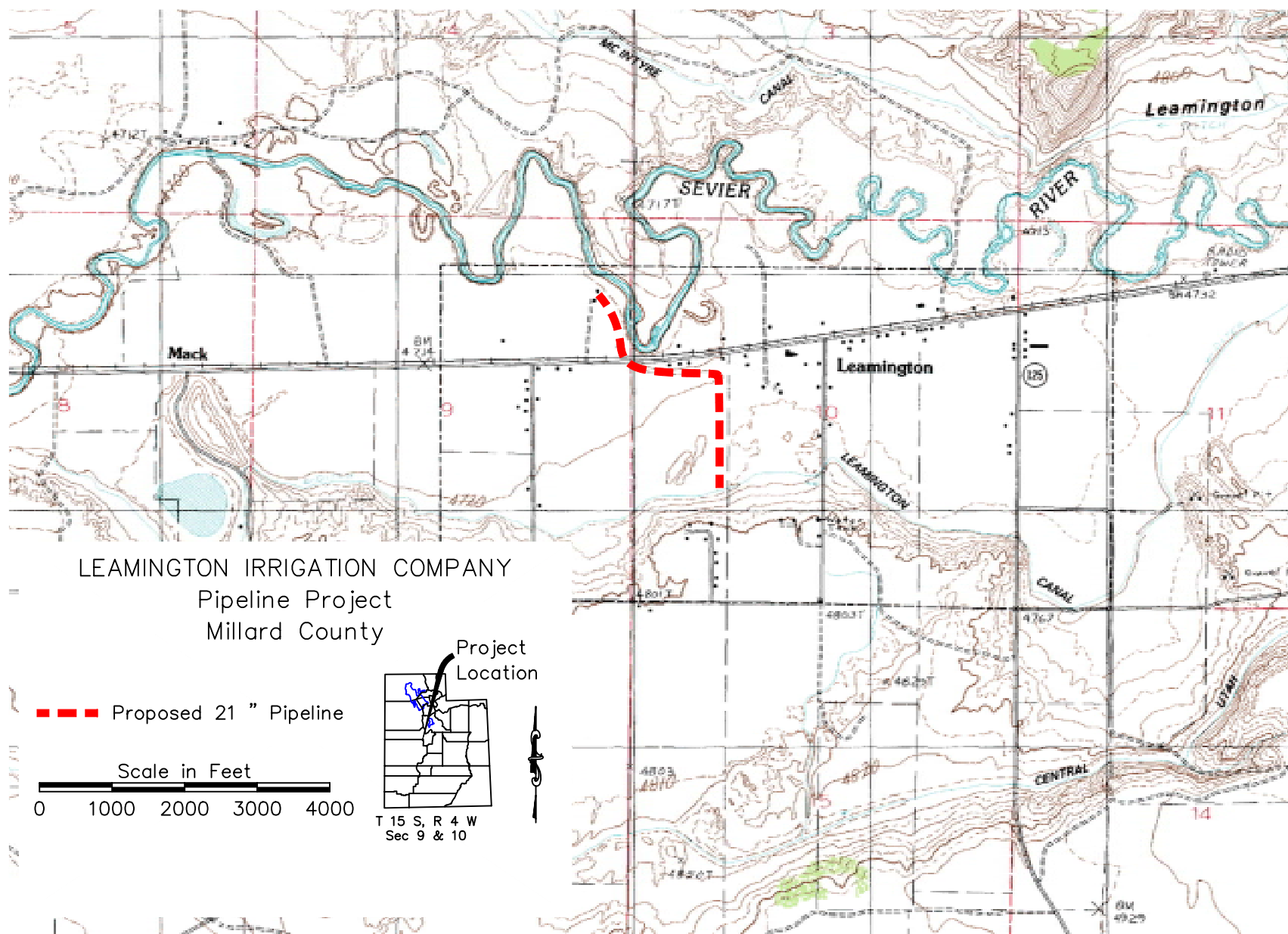
SPONSOR'S
RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.
 - b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
3. Have its attorney give the Board of Water Resources a written legal opinion:
 - a. That the company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. That the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. That the company has obtained all easements, rights-of-way, and permits required for the project and that they can be legally transferred to the Board of Water Resources.
4. Obtain approval of final plans and specifications from the Division of Water Resources.

5. Prepare a water management and conservation plan for its service area, and obtain approval of it from the Division of Water Resources.

6. Obtain an IRS Employer Identification Number.

| | | |
|---------|------------|---------------------------|
| PROJECT | President: | Sylvan Lovell |
| CONTACT | | 41 South 500 West |
| PEOPLE: | | Leamington, UT 84638 |
| | | Phone: (435) 857-2354 |
| | Secretary: | Lorna McIntyre |
| | | P.O. Box 38024 |
| | | Leamington, UT 84638-0024 |
| | | Phone: (435) 857-2565 |
| | Engineer: | John Esplin |
| | | NRCS |
| | | 2390 W. Hwy 56, Ste 14 |
| | | Cedar City, UT 84720 |
| | | Phone: (435) 586-2429 |



BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **D-776**
Received: 5/3/91
Approved: 5/17/91
Authorized: 5/7/93
Reauthorized: 11/3/00

To be Presented at the December 14, 2001 Board Meeting

SPONSOR: **SUMMIT WATER DISTRIBUTION COMPANY**

President: Hy Saunders
6400 N. Pace Frontage Rd., Ste A
Park City, UT 84098
Phone: (435) 649-7324

LOCATION: The project is located about two miles northwest of
Kimball Junction, just off Interstate 80 in Summit
County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from
the board to construct a 6.5 MGD microfiltration
culinary water treatment plant, expandable to 22 MGD.
Construction began subsequent to the board's
reauthorization of the project in November, 2000, and
is scheduled to be completed by April, 2002.

After reauthorization, the Mountain Regional Water
Special Service District (district) also met with the
board and received authorization for a
microfiltration water treatment plant. Since both
plants may serve some of the same areas, there is
some conflict between the sponsor and district (the
district made an attempt this past year to condemn
and take over the sponsor's system, with the court
ruling in favor of the sponsor).

The sponsor has complied with all requirements
necessary for committal of funds.

COST ESTIMATE
& SHARING:

Although the project cost estimate has risen since reauthorization, the proposed board share remains the same:

| <u>Agency</u> | <u>Reauthorized Cost Sharing</u> | <u>% of Total</u> | <u>Proposed Cost Sharing</u> | <u>% of Total</u> |
|---------------|--------------------------------------|-----------------------|----------------------------------|-----------------------|
| BWRe | \$ 3,000,000 | 26.5% | \$ 3,000,000 | 24.2% |
| Sponsor | <u>8,320,000</u> | <u>73.5</u> | <u>9,400,000</u> | <u>75.8</u> |
| TOTAL | \$11,320,000 | 100.0% | \$12,400,000 | 100.0% |

PURCHASE
AGREEMENT:

If the board commits funds to the project, it is proposed the purchase agreement remain as reauthorized: the \$3,000,000 will be returned in approximately 14 years at 5% interest according to the following schedule:

| <u>Payment No.</u> | <u>Proposed Payment</u> |
|------------------------|-----------------------------|
| 1 | \$266,000 |
| 2 | 273,000 |
| 3 | 280,000 |
| 4 | 287,000 |
| 5 | 294,000 |
| 6 | 301,000 |
| 7 | 309,000 |
| 8 | 317,000 |
| 9 | 325,000 |
| 10 | 333,000 |
| 11 | 341,000 |
| 12 | 350,000 |
| 13 | 359,000 |
| 14 | 280,000 |

WATER RIGHTS:

Water, in amounts sufficient to secure the proposed financial assistance, is unencumbered and legally transferable to the board.

BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **D-942**
Received: 10/7/96
Approved: 10/25/96
Authorized: 10/30/98

To be Presented at the December 14, 2001 Board Meeting

SPONSOR: **FERRON CANAL AND RESERVOIR COMPANY**

President: Tracy Behling
P.O. Box 256
Ferron, UT 84523
Phone: (435) 384-2990

LOCATION: The proposed project is located in the agricultural areas surrounding the communities of Ferron and Clawson, about ten miles south of Castle Dale in Emery County.

PROJECT SUMMARY: The board authorized a \$16.32 million project to replace, over a period of years, the sponsor's open ditch irrigation system with gravity pressurized pipe systems. The project includes about 175 miles of 4 through 36-inch PVC pipe, 7,600 riser valves, a connection to Millsite reservoir's outlet pipe, and several small regulating ponds.

Three phases have been completed (South Ditch, North Ditch and KZDF Ditch Groups) with funding from the federal government and local irrigators. Pipe for the next two phases (Molen Ditch Group) has been purchased using federal funds, with the balance of the federal monies to be reserved for the final two phases (Clawson and Rock Canyon Ditch Groups).

The sponsor is ready to proceed with installation of the Molen Ditch Group system over the next two years and requests the board commit the \$2 million authorized to purchase fittings and install the system.

COST ESTIMATE
& SHARING:

The authorized cost estimate and sharing for the overall project, and that proposed for the next two phases (Molen Ditch Group) are as follows:

| <u>Agency</u> | <u>Authorized Cost Sharing</u> | <u>% of Total</u> | <u>Proposed Cost Sharing (Molen Group)</u> | <u>% of Total</u> |
|-----------------------------|------------------------------------|-----------------------|--|-----------------------|
| BWRe | \$ 2,000,000 | 12% | \$ 2,000,000 | 35% |
| BuRec (Salinity Gr.) | 10,000,000 | 61 | 2,800,000 | 48 |
| Dept. of Ag. (EQUIP Gr.) | 4,000,000 | 25 | 850,000 | 15 |
| Sponsor | <u>320,000</u> | <u>2</u> | <u>125,000</u> | <u>2</u> |
| TOTAL | \$16,320,000 | 100% | \$ 5,775,000 | 100% |

PURCHASE
AGREEMENT:

The purchase agreement authorized by the board requires board assistance to be returned at 3% interest over not more than 25 years with annual payments to be determined at the time of committal of funds. If the board commits funds to the Molen Group project, it is proposed the \$2 million be returned at 3% interest over approximately 25 years with annual payments of \$60,000 the first year, \$90,000 the second, and \$120,000 thereafter.

STAFF
COMMENT:

When the final two project phases (Clawson and Rock Canyon Ditch Groups) are installed in a few years, the sponsor may need funds from the board to supplement federal monies and its own resources. Such board funds would likely be relatively moderate and could be accomplished through an amendment to the proposed \$2 million agreement with the sponsor.

BOARD OF WATER RESOURCES
Committal of Funds
Revolving Construction Fund

Appl. No.: **E-055**
Received: 5/21/01
Approved: 6/8/01
Authorized: 9/21/01

To be Presented at the December 14, 2001 Board Meeting

SPONSOR: ***HERRIMAN PIPELINE AND DEVELOPMENT COMPANY***

President: Lynn Egbert
356 North Pioneer Street
Herriman, UT 84065
Phone: (801) 597-9061

LOCATION: The proposed project is located in the city of
Herriman in southwestern Salt Lake County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from
the board to improve its culinary water system by
constructing a million gallon concrete storage tank,
and replacing an existing well's pump, motor, and
controls.

The sponsor is also requesting financial assistance
to do development work on its springs in Rose Canyon,
which was not part of the project authorized by the
board.

COST ESTIMATE
& SHARING:

Based on final design, plus the requested addition of the spring development work, the current cost estimate exceeds that authorized. The authorized and proposed cost sharing are:

| <u>Agency</u> | <u>Authorized Cost Sharing</u> | <u>Proposed Cost Sharing</u> | <u>% of Total</u> |
|---------------|------------------------------------|----------------------------------|-----------------------|
| BWRe | \$ 585,000 | \$ 637,000 | 80% |
| Sponsor | <u>146,000</u> | <u>159,000</u> | <u>20</u> |
| TOTAL | \$ 731,000 | \$ 796,000 | 100% |

PURCHASE
AGREEMENT:

The purchase agreement authorized by the board requires the project to be purchased in 10 years at 0% interest with annual payments ranging from approximately \$32,000 to \$72,000. If the board commits funds to the project, it is proposed the \$637,000 be returned in 10 years at 0% interest with annual payments ranging from approximately \$33,000 to \$73,000.

BOARD OF WATER RESOURCES

Special Item

Contract Amendment - Payment Deferral

Revolving Construction Fund

Appl. No.: **D-905**
Received: 5/4/95
Approved: 6/16/95
Authorized: 9/20/96
Committed: 8/8/97
Amended: 9/18/98

To be Presented at the December 14, 2001 Board Meeting

SPONSOR: ***IRRIGATION COMPANY OF THE WEST FORK OF GROUSE CREEK***

President: Frank J. Gould, II
Gould Land and Livestock
P.O. Box 285
Oakley, ID 83346
Phone: (208) 431-4300

LOCATION: The project is located about four miles southwest of Grouse Creek in Box Elder County, in the extreme northwest corner of the state.

SUMMARY: Several years ago the sponsor installed about three miles of 6 to 24-inch transmission pipeline from Etna Reservoir to several company shareholders' pumped sprinkle irrigation systems. The project converted the separate pumped systems into one gravity pressurized system. To enable the project to use the full head of the reservoir, a slip liner, gate structure, and slide gate were installed in the outlet works of Etna Dam.

The project is being purchased from the board at 0% interest with annual payments of \$24,000 through 2000 and \$32,000 thereafter.

SPONSOR'S
REQUEST:

The sponsor requests its agreement to the board be amended to state the project will be purchased at 0% interest with annual payments of \$24,000 through 2001 and \$32,000 thereafter. The sponsor states its water supply has been low the past several years, leading to reduced crop yields, and it has had to depend more on hay for livestock with less opportunity for range feeding (see letter).

STAFF
RECOMMENDATION:

The sponsor's initial repayment ability of \$24,000 was calculated as 85% (board cost sharing percentage) of the annual net benefit, most of which was increased crop production. Then, when a previous project with approximate \$8,000 annual payments was paid off, the repayment ability rose to \$32,000.

The recent northern Utah drought has affected not only the sponsor's crop yields, but also its ability to graze livestock. According to the Natural Resources Conservation Service in Tremonton, the drought has caused a 25% - 65% reduction in grazing areas' livestock carrying capacity. Also, fires in the upper parts of the Grouse Creek drainage area have caused the Bureau of Land Management to hold the sponsor off its grazing allotments for this and likely next year. The result of the fires and drought is the sponsor's shareholders have had to heavily increase their use of hay.

It appears the sponsor's request is based on unusual circumstances. Staff therefore recommends the board authorize an amendment to its agreement with the sponsor, making the December 1, 2001, payment \$24,000, and all subsequent payments \$32,000.

BOARD OF WATER RESOURCES

Special Item

Bond Amendment - Additional Funds

Conservation and Development Fund

Appl. No.: **L-530**
Received: 3/12/99
Approved: 4/30/99
Authorized: 6/11/99
Committed: 6/16/00

To be Presented at the December 14, 2001 Board Meeting

SPONSOR: **NORTH SALT LAKE CITY**

Mayor: James W. Dixon
20 S. Highway 89
P.O. Box 540208
North Salt Lake, UT 84054
Phone: (801) 936-3877

SUMMARY: The board committed \$718,000 to the city as part of an interest rate buydown; the city obtained a \$1,461,000 market loan. Funds are being used to upgrade North Salt Lake's culinary water system in phases by increasing the capacity of the transmission system by adding parallel pipes in four locations, drilling a new well, improving an existing well purchased from Flying J Oil, constructing a million gallon concrete tank, and placing several pumps throughout the system to pump water up to the city's east side where the greatest shortages have been occurring. The city has been working on the project for the last year and hopes to finish construction next summer.

When excavation began on the tank site, it was realized there were other unstable soils that were not discovered when the geotechnical studies were conducted. These soils had to be excavated approximately twice as deep as originally estimated.

In addition to extra costs associated with the overexcavation, there were other unforeseen costs due to imported, compacted fill required to stabilize the foundation.

The Flying J well was originally planned to be retrofitted, cleaned, and deepened, but after evaluation it was determined that a new well was necessary and would be a longer-lasting water source with more production. Along with extra costs associated with the new well, the new pump house was fitted with an extra room to house equipment for fluoridation systems; this was not planned at the time the original cost estimates were made.

The city just completed drilling another new well, which will produce 1,500 gpm instead of the anticipated 800 gpm. Because of this, the city would like to enlarge the pipeline planned to run from the well to an existing reservoir.

Finally, the bids on one section of pipeline exceeded the engineer's estimate.

The increased cost of the project is \$550,000 as shown:

| <u>Description</u> | <u>Original Cost Estimate</u> | <u>Actual Cost</u> | <u>Change</u> |
|------------------------|-----------------------------------|------------------------|------------------|
| 1 MG Tank | \$ 428,460 | \$ 499,070 | \$ 70,610 |
| Flying J Well & Equip. | 264,610 | 391,880 | 127,270 |
| New Well Pipe Enlarg. | 480,840 | 804,000 | 323,160 |
| Pipeline | <u>62,600</u> | <u>91,560</u> | <u>28,960</u> |
| TOTAL | \$1,236,510 | \$1,786,510 | \$550,000 |

COSTS &
COST SHARING:

The committed and proposed cost sharing are:

| <u>Agency</u> | <u>Committed Cost Sharing</u> | <u>% of Total</u> | <u>Proposed Cost Sharing</u> | <u>% of Total</u> |
|---------------|-----------------------------------|-----------------------|----------------------------------|-----------------------|
| BWRe | \$ 718,000 | 28% | \$1,158,000 | 37% |
| Sponsor | 384,000 | 15 | 494,000 | 16 |
| Market Loan | <u>1,461,000</u> | <u>57</u> | <u>1,461,000</u> | <u>47</u> |
| TOTAL | \$2,563,000 | 100% | \$3,113,000 | 100% |

REPAYMENT:

Current repayment terms state the market loan will be repaid in about 12 years at 5.3% interest with the first annual payment in 2001. The \$718,000 bonded indebtedness to the board will be repaid in nine years at 0% interest, beginning in 2005, with payments ranging from about \$47,000 to \$109,000. If the board commits additional funds to the project, staff recommends the bond be amended to provide an additional \$440,000 and to state the city will repay the \$1,158,000 bonded indebtedness in 13 years at 1.8% interest, beginning in 2002, with payments ranging from about \$21,000 to \$344,000.

BOARD OF WATER RESOURCES
Special Item
Withdrawal
Conservation and Development Fund

Appl. No.: **L-542**
Received: 8/9/01
Approved: 9/21/01

To be Presented at the December 14, 2001 Board Meeting

SPONSOR: **LOA TOWN**

Mayor: Ellis Brown
P.O. Box 183
Loa, UT 84747
Phone: (435) 836-2160

LOCATION: The proposed project is located in and around Loa in Wayne County.

SUMMARY: The sponsor requested financial assistance from the board to improve its culinary water system by constructing a 250,000 gallon storage tank and upgrading the pipeline distribution system.

Since the Community Impact Board voted to fund the project, staff recommends the application be withdrawn from further consideration by the board.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-065**
Received: 11/15/01

SPONSOR: **MARION PARK ESTATES**

| | |
|------------|-----------------------|
| President: | Jared Weller |
| | 2940 N. 900 E. |
| | Kamas, UT 84036 |
| | Phone: (435) 783-2334 |

LOCATION: The proposed project is located about three miles north of Kamas in Summit County.

PROPOSED PROJECT: The sponsor is requesting assistance to improve and upgrade its culinary water system by constructing a 150,000 gallon storage tank, installing 5,000 feet of pipeline, and adding five fire hydrants.

WATER RIGHTS: 35-8837 (a15897)

COST ESTIMATE: \$231,000

STAFF COMMENT: The sponsor consists of ten residences, nine of which are lived in full-time.

Unapproved
M INUTES

BOARD OF W ATER RESOURCES
BRIEFING M EETING

N ovem ber 2, 2001

Room 314, U tah D ivision of W ater Resources
D epartm ent of N atural Resources
1594 W est N orth T em ple
S alt L ake C ity, U tah

BOARD OF WATER RESOURCES

Briefing Meeting
November 2, 2001

The Board of Water Resources met in a briefing session on November 2, 2001 at 12:00 noon at the Utah Division of Water Resources

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Ivan Flint
Brad Hancock
Clea Bradford
Harold Shirley
Paul Riley

Not Present
Bill Marcovecchio

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Eric Mills, Chief, River Basin Planning

VISITORS

Norm Johnson, Attorney General's Office
Sherm Hoskins, Department of Natural Resources

After the Board members ate lunch, Chair Lucille Taylor called the briefing meeting to order and welcomed everyone. She congratulated Ivan Flint for the awards he received at the National Water Resources Association annual conference.

Director Anderson informed the Board that Dennis Strong had been appointed as the Acting Deputy Director for the Department of Natural Resources for the next 30 to 60 days. Hugh Thompson is the Acting Department Executive Director until a new director is selected. A new director will be named after Kathleen Clarke has been confirmed by the U.S. Senate to be the director of the Bureau of Land Management. Sherm Hoskins is the Deputy Director assigned to the Division of Water Resources. All of the Board members congratulated Mr. Strong for his new assignment. Mr. Anderson said he appointed Lloyd Austin as the Acting Deputy Director for the Division of Water Resources, and Steve Wilde as the Acting Assistant Director.

DISCUSSION OF PROJECTS

Steve Wilde explained the proposed project for the Fremont Waterworks Company. He said they would be getting a grant and loan from Rural Development. Chair Taylor commented about the high monthly water connection costs for the proposed project. Mr. Wilde said it is about 1.4 times the board's water service affordability guidelines so staff recommended a moderate repayment for the first 12 years.

Paul Riley said he attended the project investigation for Wellsville-Mendon Conservation District. He thought the sponsor wanted to extend the canal lining further than shown in the staff's report. Mr. Wilde said he was not aware of any changes to the proposed project. He suggested Mr. Riley ask the sponsor about the length of the lining at the Board meeting. Mr. Wilde said normally staff would recommend this type of project be funded from the Revolving Construction Fund, but the Board cannot take title to the water because it is owned by the Bureau of Reclamation. Therefore, staff recommended the project be funded from the Conservation and Development Fund through the purchase of a bond.

Ivan Flint said he toured the Morgan Secondary Water Association project with Jan Turner, the president of the company. Director Anderson said the Board authorized the cost sharing of the project with 85% of the cost from the Board and 15% from the sponsor, but told the sponsor to work with staff before funds were committed. The company requested 95%-5% cost sharing terms. Staff compromised with the sponsor and recommended 90% from the Board and 10% from the sponsor. The secondary water system will cut down on the amount of high quality culinary water used. The Board members felt Morgan City should participate more in the project. Dennis Strong said the same people are involved, and the residents will pay the debt. The city owns a lot of the water stock in the company. Director Anderson suggested the city should pass an ordinance requiring the residents to hook onto the system and say they cannot use drinking water to water their lawns.

Steve Wilde said the Grantsville Irrigation Company's pipeline replacement project was authorized in the September Board meeting. The company submitted everything but plans and

specifications; the engineer is putting those together and will submit them to staff. The proposed cost estimate and sharing remain the same as authorized.

Chair Taylor read a list of new applications that have been received since the last Board meeting from Hooper Irrigation Company, Ephraim Irrigation Company, and Porcupine Highline Canal Company.

OTHER ITEMS

Memorandum of Understanding

Director Anderson handed out and reviewed a memorandum of understanding with School and Institutional Trust Lands Administration (SITLA) and the Department of Natural Resources. He said all of the divisions within the department were requested to present the document to their boards and ask for their comments. Mr. Anderson said Steve Boyden, the new director of SITLA, worked as an attorney at the Department of Natural Resources. Chair Taylor read a portion of page 11 of the memorandum regarding the Board/Division of Water Resources. The Board members were encouraged to read the document and call Nancy if they have comments or concerns.

Capital Replacement Fund

Chair Taylor said at the last briefing meeting, the Board members discussed the possibility of a capital improvement fund being added to the Board's policies and procedures. She asked Warren Peterson and Brad Hancock to work with Larry Anderson and Dennis Strong to come up with suggested language for the Board members to consider.

Warren Peterson said he felt it was important to encourage communities to have a capital replacement fund built into the rate structure and in-pact fees. There was considerable discussion about requiring or encouraging a replacement fund and how it could be enforced. There was also a discussion about including it in the Board's guidelines.

Chair Taylor said she would like to see some specific language to review if the Board wants to include the requirement in its policies and guidelines.

Modification of Guidelines

Dennis Strong said staff decided as long as they were adding conservation requirements to the Board's guidelines, they wanted to make other modifications. The Board reviewed the guidelines page by page.

After considerable discussion, Paul Riley made a motion, seconded by Harold Shirley, to approve the suggested modifications to the guidelines. The Board unanimously agreed. After Nancy Fuller explained the rule-making process, Clea Bradford made the motion to advance

the modified guidelines to rule making. Harold Shirley seconded the motion, which was passed unanimously by the Board.

Cleal Bradford commented about the Community Impact Board meeting he attended the day before. The board members want Director Anderson to come to their next meeting and explain the Board's suggestions for water conservation issues.

Board Meeting Schedule

Director Anderson encouraged the Board members to review the proposed schedule for next year's Board meetings. He said staff did not schedule any meetings out of Salt Lake City and asked them to let staff know if they would like meetings in their areas.

Cleal Bradford said he would like to invite the Board to the Blanding area in September. Warren Peterson suggested the Board tour the Richfield area and look at the Piute Dam.

The briefing meeting adjourned at 1:50 p.m.

Unapproved
M INUTES OF THE
BOARD OF W ATER RESOURCES M EETING
N ovem ber 2, 2001

Auditorium
D epartm ent of N atural Resources Building
1594 W est N orth T em ple
Salt Lake C ity, U tah 84116

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the September 20 and 21, 2001 Board meetings were approved as prepared. page 1
2. The Fremont Waterworks Company project was authorized at \$150,000 (19%) at 0% interest with annual payments of \$1,000 the first 11 years and \$2,000 to approximately \$28,000 the next 13. page 2
3. The Board authorized the Wellsville-Mendon Conservation District project in the amount of \$192,000 (80%) to be purchased with annual payments of \$22,000 at 3.2% interest over approximately 11 years. page 2
4. Funds were committed to the Morgan Secondary Water Association in the amount of \$2.79 million (90%) to be purchased in 25 years at 2% interest with annual payments beginning at about \$119,000 and increasing to about \$180,000. page 3
5. The Board committed funds to the Grantsville Irrigation Co. in the amount of \$288,000 (80%) to be purchased with annual payments of \$12,000 at 0% interest over approximately 25 years. page 3
6. The Board approved \$150,000 not to exceed 50% of the total project cost for the cloud seeding program. page 3

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, November 2, 2001 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Lucille Taylor presided over the 2:00 p.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Brad Hancock
Ivan Flint
C Neal Bradford
Harold Shirley
Paul Riley

Bill Marcovecchio was absent.

STAFF MEMBERS:

D. Larry Anderson, Director
Lloyd Austin, Asst. Director
Nancy Fuller, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Tom Cox, Engineer
Gina Hirst, Engineer
Shalaine DeBernardi, Engineer
Geraldine Murdock, Executive Secretary

OTHERS PRESENT:

Chris Hogge, Engineer, Weber Basin Water Conservancy District
Elaine Peterson, Loan Specialist, USDA - Rural Development
Mark S. Day, Senior Program Manager, URS Corporation

Lane Chappell, Secretary, Fremont Waterworks Company
Darin Robinson, Engineer, Jones & DeMille Engineering

William R. Bankhead, Secretary, Wellsville-Mendon Conservation District
Brian Deeter, JUB Engineers

OTHERS PRESENT CONT'D :

Jan Turner, President, Morgan Secondary Water Association
Y .Marie Heiner, Mayor, Morgan City
Neil Carrigan, City Council, Morgan City
Steven C . Carrigan, Board Member, Morgan Secondary Water Association
Suzanne Carrigan, Morgan Secondary Water Association
Paul Turner, Board member, Morgan Secondary Water Association
Pamela Turner, Secretary-Treasurer, Morgan Secondary Water Association
Lee Cammack, Project Manager, Morgan Secondary Water Association
J. Craig Smith, Attorney, Nielsen & Senior

Don Griffith, President, North American Weather Consultants

M INUTES OF THE
BOARD OF W ATER RESOURCES M EETING
N ovem ber 2, 2001

Chair Lucille Taylor welcomed everyone to the Board of Water Resources meeting. Ivan Flint expressed appreciation to Larry Anderson for his last minute keynote address at the National Water Resources Association (NWRA) meetings. He said everyone thought he did an excellent job. Chair Taylor said Ivan Flint was honored at the NWRA meetings by giving him a distinguished service award and also a lifetime award. The Bureau of Reclamation also gave him a citizen's award.

APPROVAL OF M INUTES

Warren Peterson made the motion to approve the September 20 and 21, 2001 minutes as prepared. Paul Riley seconded the motion, and it was agreed upon by the Board.

FEASIBILITY REPORT

#E057 Fremont Waterworks Company

Chair Taylor welcomed Lane Chappell, and Darin Robinson, Jones and Demille Engineering. Gina Hirst reported the company serves culinary water to 160 residential connections in Fremont and four dairies. Several residences are connected to a 4-inch A-C transmission line which is too small to provide sufficient fire flows. The company is requesting financial assistance to improve its culinary water system by installing about 8,500 feet of 8-inch PVC transmission pipeline parallel to the existing 4-inch A-C line, installing fire hydrants on the new pipe to serve residences northeast of town, and replacing 4-inch and smaller A-C distribution pipelines with 8-inch PVC.

The estimated cost is \$800,000. The company has applied to Rural Development for a grant of \$375,000 and a loan of \$225,000, which has not yet been approved. Jones and Demille will provide the engineering.

Based on the Board's water affordability guideline residents can pay up to \$16.89 per month. With the proposed project in place the cost per connection per month will be \$28.37. The sponsor currently charges \$8.00 for the first 8,000 gallons with an overage charge of \$1.00 per thousand gallons. The company is planning to raise the base rate to \$12.00 and also raise the overage charges.

The company has received funding previously from the Board. They are making annual payments of approximately \$16,000 through the year 2023.

Mr. Robinson said with the company's asbestos cement pipe it's difficult to tie on new connections. The fire flow is inadequate; they only have two or three hydrants in town. Warren Peterson said after reviewing the project with Mr. Robinson he felt the improvement was quite necessary. He then made the motion to authorize the Fremont Waterworks Company project in the amount of \$150,000 (19%) at 0% interest with annual payments of \$1,000 the first 11 years and \$2,000 to approximately \$28,000 the next 13. Cleal Bradford seconded the motion and it was agreed upon by the Board.

#E058 Wellsville-Mendon Conservation District

Chair Taylor introduced William Bankhead, secretary; and Brian Deeter of JUB Engineers. Steve Wilde reported the district delivers about 8,000 acre-feet of irrigation water from Hyrum Reservoir to approximately 4,600 agricultural acres, and 400 acres of lawns and gardens in Wellsville and Mendon cities. Water is conveyed through the earthen Wellsville-Mendon Canal. An estimated 600 acre-feet annually is lost to seepage due to heavily graveled soils.

The district is requesting financial assistance to install 6,100 feet of rubber liner, underlain by a protective geotextile fabric. JUB Engineers will provide design and construction engineering services. The project is estimated to cost \$240,000.

Paul Riley said he had gone over the project with the sponsor and this section has the greatest leaking. He made the motion to authorize the project for the Wellsville-Mendon Conservation District at \$192,000 (80%) to be purchased with annual payments of \$22,000 at 3.2% interest over approximately 11 years. Warren Peterson seconded the motion and the Board agreed unanimously.

COMMITTEE OF FUNDS

#E031 Morgan Secondary Water Association

Chair Taylor introduced Jan Turner, president; Marie Heiner, mayor; Pamela Turner, secretary-treasurer; Paul Turner, Suzanne Carrigan, Steven Carrigan, J. Craig Smith, Lee Cammack, JUB engineers; and Neil Carrigan.

Shalaine DeBernardi reported the Morgan Secondary Water Association is requesting financial assistance to construct a pressurized secondary irrigation system which will include a pump station, regulating reservoir, and about 13 miles of transmission and distribution pipeline. The proposed cost estimate remains the same as authorized (\$3.1 million).

Ivan Flint said he had toured the project, and asked about the city providing \$40,000 toward it. Jan Turner said when the five canal ditch companies came together they didn't have enough money for the legal work to make an association. Morgan City agreed to provide

\$40,000 for attorney's fees and also for some land for the sites of the reservoir. Mayor Heiner said the city engineer's office staff had also contributed time and information for the project. Morgan City is in agreement with the project; it will help save culinary water. Harold Shirley asked if residences were going to be required to connect to the secondary system. The Mayor said the council has discussed this and will probably put in an ordinance requiring hook-ups. All new development is already required to put in a system that can be hooked on to the secondary system when it runs by their residence. Mayor Heiner presented a letter to Chair Taylor stating Morgan City's participation in secondary water for Morgan City residents.

Ivan Flint made a motion to commit funds to the Morgan Secondary Water Association in the amount of \$2.79 million (90%) to be purchased in 25 years at 2% interest with annual payments beginning at about \$119,000 and increasing to about \$180,000. Harold Shirley seconded the motion and it was agreed upon by the Board.

#E050 Grantsville Irrigation Co.

Steve Wilde reported the company is requesting financial assistance to replace the valving in one of the company's pressurized irrigation system's regulating stations, and install about 3,800 feet of ductile iron transmission pipeline to replace problem sections of steel cylinder pipe. The project is estimated to cost \$360,000. Cleal Bradford made the motion to commit funds to the irrigation company in the amount of \$288,000 (80%) to be purchased with annual payments of \$12,000 at 0% interest over approximately 25 years. Brad Hancock seconded the motion and the Board agreed unanimously.

CLOUD SEEDING

Dave Cole reported Dr. Norm Stauffer's report on the benefits of cloud seeding is included in the Board folder. Director Anderson said the Board of Water Resources has cost shared for cloud seeding up to \$150,000 not to exceed 50% of the total project cost.

After discussion, Ivan Flint made a motion to fund the cloud seeding program up to \$150,000 not to exceed 50% of the project cost. Warren Peterson seconded the motion, and it was agreed upon unanimously by the Board.

Warren Peterson asked about the status of the Rural Development grant and loan for the Fremont Waterworks Company. Mr. Robinson said the pre-ap has been approved. He said the engineer needed to answer the concerns of Rural Development, and after they have been complied with the application will be submitted. Mr. Peterson said he wanted the Board to understand the project had to receive the Rural Development loan and grant before the project is feasible.

DIRECTOR'S REPORT

Director Anderson introduced the division's newest employee, Jed Hansen who will be working for Todd Adams in the computer-hydrology modeling section of the office. Jed told the Board his background.

Mr. Anderson said the 17th annual Water Education banquet will be held November 17, at the Airport Hilton Hotel. All Board members should have received an invitation and are encouraged to attend. He said the Utah Water Users are planning the Water Summit to be held on November 29th. All Board members will be registered unless they indicate they cannot attend.

Director Anderson said on page 10 of the Board folder there's a copy of the testimony submitted to the Resource Committee of the U.S. House of Representatives sub-committee on Water and Power. The subject is the "Implementation of the California 44 Plan for the Colorado River". The hearing was scheduled for October 25 and was cancelled because of the anthrax envelopes found in Washington, D.C. A field hearing will probably be held at a later date.

On page 17 of the Board folder a copy of a letter from Jennifer Pitt with The Environmental Defense and several other environmental groups was included with their interpretation of the symposium at Mexicali on September 11. Mr. Anderson responded to the letter as he felt they were overly optimistic in their observation of the meeting.

Mr. Anderson said a copy of a briefing paper for the new Executive Director of Natural Resources was part of the Board folder. Also the division is continuing to receive all types of letters about the Bear River Water Development. A whole packet of letters from members of the House of Representatives was received; many of them were similar.

NEXT BOARD MEETING

The next Board meeting will be held December 14 with the staff and Board Christmas party at the Lion House following the meeting.

Meeting adjourned at 3:20 p.m.

Approved
M INUTES

BOARD OF W ATER RESOURCES
BRIEFING M EETING

N ovem ber 2, 2001

U tah D ivision of W ater Resources

BOARD OF WATER RESOURCES

Briefing Meeting
November 2, 2001

The Board of Water Resources met in a briefing session on November 2, 2001 at 12:00 p.m. at the Utah Division of Water Resources

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Ivan Flint
Brad Hancock
Clea Bradford
Harold Shirley
Paul Riley

Not Present
Bill Marcovecchio

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Eric Millis, Chief, River Basin Planning

VISITORS

Norm Johnson, AG
Sherm Hoskins

Chair Lucille Taylor called the briefing meeting to order and welcomed everyone. She expressed her thanks to the Jordan Valley Water Conservancy District staff for letting the Board use their facilities earlier in the day and for giving the Board a tour of the Demonstration Garden.

Director Anderson welcomed Stephen Allred, the legislative analyst.

DISCUSSION OF PROJECTS

Steve Wilde said the Grantsville Irrigation Company built a reservoir and pressure irrigation system in the 1980's that has had a lot of maintenance problems, partially due to problems during the installation of the pressure irrigation system. He said Joe Peterson, the president of the company, will come to the meeting and discuss the proposed project. He also wants to talk about building another reservoir to capture more of the water. Staff has looked at the possibility of building another reservoir but thinks the water supply isn't available enough of the time to justify the cost and the company cannot afford to pay for another reservoir. Dennis Strong explained the company has done some restructuring of its water rates in order to receive more money from new residents moving in. Bill Marrovecchio said he looked at the site where they want to build the second reservoir, but he does not feel the area warrants it.

Mr. Marrovecchio said he toured the site of the Henning Pipeline and Development Company's proposed project in southwestern Salt Lake County, and said it is a good project. Mr. Wilde said 80 percent of the project is constructing a one million gallon storage tank and the other part is making modifications to a well that had not been used since 1994. Staff thinks the company can pay the loan back in ten years with increasing repayments. Some of the Board members questioned giving the company zero percent interest financing, but staff said money was available in the Revolving Construction Fund and the company qualifies under that fund.

Mr. Wilde explained the commitment of funds report for the Davis and Weber Counties Canal Company. The project is to implement the long-term canal improvement plan, which was authorized by the Board. The company has completed phase one and is now ready to begin phase two of the project, which consists of 4,000 feet of 9 x 8-foot concrete box culvert and appurtenances. Ivan Flint said he supports the project and it needs to be done if they are going to be able to deliver water. Mr. Flint said he asked staff if the company was making its payments and they are.

Warren Peterson said he would declare a conflict of interest during the discussion on the Deseret Irrigation Company's project. Mr. Wilde said the Board authorized the project at the August Board meeting and the company is now ready for commitment of funds on the first phase, which will be repaid in six years with escalating repayments as previous project loans are paid off.

Mr. Wilde said several projects were being presented for withdrawal from further consideration by the Board for various reasons.

Mr. Flint said he looked at the project being constructed for the Nordic Mountain Water, Inc. He said they are doing a good job, but they had to build a temporary project first, and now they have the new project built, hooked up and ready to go. Mr. Wilde said when the Board committed funds, the sponsor requested additional funds but the exact figures were not available; the Board members told the sponsor to come back at a future meeting and request the additional funds. Chair Taylor asked why they were requesting almost \$300,000 more. Mr. Wilde said the emergency well and water hauling cost \$55,000; replacing 4,900 feet of 4-inch pipeline with new 6-inch pipeline cost \$208,000, and a number of change orders totaling \$82,000 increased the total additional costs by \$345,000.

Chair Taylor mentioned three new applications were received from Fremont Waterworks Company, Wellsville-Mendon Conservation District, and Loa Town.

The briefing meeting adjourned about 4:00 p.m.

Approved
M INUTES OF THE
BOARD OF W ATER RESOURCES M EETING
September 21, 2001

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah 84416

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the August 9 and 10, 2001 Board meetings were approved with suggested changes. page 1
2. The Grantsville Irrigation Company project was authorized in the amount of \$288,000 (80%) from the Revolving Construction Fund with annual payments of \$12,000 for approximately 25 years. page 2
3. The Board authorized the Herrin Pipeline and Development Company project in the amount of \$585,000 (80%) to be purchased in 10 years at 0% interest with annual payments ranging from approximately \$32,000 to \$72,000. page 3
4. Funds were committed to the Davis & Weber Counties Canal Company in the amount of \$2.425 million (85%) to be returned in 30 years at 3.6% interest with annual payments of approximately \$133,600. page 3
5. The Board committed funds to the Deseret Irrigation Company project in the amount of \$200,000 (80%) to be purchased in six years at 0% interest with escalated annual payments. page 4
6. The Roy Water Conservancy Subdistrict project was withdrawn from further consideration by the Board. page 4
7. The Holmes Creek Irrigation Co. project was withdrawn from further consideration by the Board. page 4
8. The Board amended the Nordic Mountain Water, Inc. contract and the \$1.654 million (85%) will be returned in 25 years at 3.3% interest with increasing annual payments. page 4
9. The Koosharem Town project was withdrawn from further consideration by the Board. page 5
10. The White City Water Improvement District project was withdrawn from further consideration by the Board. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, September 21, 2001 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Lucille Taylor presided over the 8:30 a.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Brad Hancock
Ivan Flint
Bill Marcovecchio

Cleal Bradford, Harold Shirley and Paul Riley were absent

STAFF MEMBERS:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Eric Willis, Chief, River Basin Planning
Todd Adams, Chief, Hydrology and Computer Applications
Tom Cox, Engineer
Gina Hirst, Engineer
Russell Hadley, Engineer
Geraldine Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources

Joe Peterson, President, Grantsville Irrigation Co.
Richard Anderson, Vice-president, Grantsville Irrigation Co.
Ernest Matthews, Board member, Grantsville Irrigation Co.
Dick Johnson, Board member, Grantsville Irrigation Co.
Karen Johnson, Office Manager, Grantsville Irrigation Co.
Sunnie Titmus, Secretary, Grantsville Irrigation Co.
Gene Marshall, Board member, Grantsville Irrigation Co.
Lynn L. Taylor, Watermaster, Grantsville Irrigation Co.

OTHERS PRESENT CONT'D :

Lynn Egbert, President, Herriman Pipeline and Development Co.
Richard Sorenson, Director, Herriman Pipeline and Development Co.
Don Olsen, Engineer, Epic Engineering

Floyd Baham, Manager, Davis & Weber Counties Canal Co.
Lee Cammack, Project Engineer, JUB Engineers
Joe Dawson, Davis & Weber Counties Canal Co.
Glen Flint, Director, Davis & Weber Counties Canal Co.
Vernon Flint, Davis & Weber Counties Canal Co.
Ivan Ray, Director, Davis & Weber Counties Canal Co.
M. Glade Pincock, Director, Davis & Weber Counties Canal Co.
Pete Page, Director, Davis & Weber Counties Canal Co.

Marilyn Thorstensen, Secretary, Nordic Mountain Water, Inc.
Daron LeBlanc, Sunrise Engineering

M INUTES OF THE
BOARD OF W ATER RESOURCES M EETING
Septem ber 21 , 2001

Chair Lucille Taylor called the meeting to order and welcomed Sherm Hoskins, representing the Department of Natural Resources.

A PPROVAL OF THE M INUTES

Warren Peterson made the motion, seconded by Bill Marcovechio to approve the minutes of the August 9, and 10, 2001 meetings with suggested changes. The Board agreed.

C H A I R ' S R E P O R T

Chair Taylor said hearing of Kathleen Clarke being a likely nominee as director of the Bureau of Land Management causes mixed feelings. Mixed because Kathleen is appreciated for her efforts as Executive Director of the Department of Natural Resources, but also congratulations are in order for achieving the possible nomination.

She said she attended a meeting with all department division board chairpersons where Ms. Clarke attempted to create a policy and program center as requested by the Governor. A meeting she had scheduled for September 27 has been postponed indefinitely because of the possible nomination.

Chair Taylor asked Brad Hancock and Warren Peterson to serve on a committee to investigate the possibility of a capital improvement fund policy being created. Director Anderson suggested they meet at the Division offices.

Ms. Taylor encouraged the Board members to attend the National Water Resources Association (NWRA) meetings being held in Salt Lake City on October 30 through November 2. She also offered the Board's assistance to the NWRA.

F E A S I B I L I T Y R E P O R T S

#E050 Grantsville Irrigation Company

Chair Taylor introduced Joe Peterson, president; Richard Anderson, Ernest Matthews, Karen Johnson, Dick Johnson, Sunnie Timus, Gene Marshall and Lynn Taylor. Steve Wilde reported the irrigation company is requesting financial assistance to replace the valving in one of the system's regulating stations, and install about a half-mile of ductile iron pipe to replace the 24" steel cylinder pipe which has ruptured numerous times; it seems to go back to improper handling at installation. The ruptures create irrigation downtime, water loss and high repair costs.

averaging between \$8,000 and \$9,000 annually. The total estimated cost of the project is \$263,000.

Grantsville Irrigation Co. has received financial assistance in the past from the Board. The balance on the principal is currently \$8.1 million to be repaid in 2036.

Joe Peterson, president explained a different alternative solution to the problem recommended by Jim Palmer, former chief design engineer of the division. Mr. Peterson also said they had had six breaks in the last five years. He said Mr. Palmer said it was either the fault of the manufacturer or the fault of the installer. Chair Taylor stated the proposal before the Board is to replace a pipeline. Mr. Peterson said they wanted to replace 3845 feet of pipeline which would put them past the last break. He said the company was also concerned about the rest of the pipe as they don't know how strong it is. Chair Taylor said the report stated 2640 feet. Steve Wilde said the pipeline footage isn't tied down. If the company wants to go with 3800 feet it would be possible.

Bill Marcovecchio suggested because of the confusion perhaps the project should be postponed until a later date. Mr. Peterson apologized for the confusion and said he felt he ought to let the Board know what the company had been discussing. Chair Taylor asked if the company wanted the Board to act on the project as it is or postpone the whole thing until the next meeting. Mr. Peterson said it would be better to go with it as it is at 2640 feet. Mr. Marshall responded that 2640 feet doesn't get past the problem. He said if that amount is approved they would be back in the future asking for another 1000 feet. Steve Wilde again informed the Board the total cost of 3800 feet would be \$360,000.

Mr. Marcovecchio made the motion to authorize the Grantsville Irrigation Company project (3845 feet of 24" ductile iron pipe) in the amount of \$288,000 (80%) from the Revolving Construction Fund with annual payments of \$12,000 for approximately 25 years. Warren Peterson seconded the motion and it was agreed upon by the Board.

#E055 Herminan Pipeline and Development Company

Chair Taylor introduced Lynn Egbert, president; Richard Sorenson, director; Don Olsen, Epic Engineering. Gina Hirst stated the company serves culinary water to 328 connections or about 1/3 the population of Herminan through several springs and three culinary wells. Well #1 hasn't been used since construction of the 400,000 gallon tank in 1994, but until this year because of dry conditions and continued growth the company began using it. The company uses a well pump and booster pump to move 200-220 gpm up to the 400,000 gallon tank. The well pump was not designed to deliver water to elevations higher than the holding reservoir and wiring is old and outdated; makeshift hoses connecting the two pumps are being used to deliver water into the upper tank.

The company is requesting financial assistance to replace Well #1's pump, motor, and starter, and eliminate the booster pump. In order to conform with Drinking Water standards, a meter, sampling tap, flushing valve, discharge pipe, ventilation, raising of the well head, and

instrumentation system will be installed. The building floor will be raised, the roof removed and raised, and the floor footprint enlarged. The company is also requesting assistance to construct a million gallon concrete storage tank next to the existing 400,000 gallon tank to meet existing and future needs. The project is estimated to cost \$731,000.

Mr. Egbert thanked the Board for the opportunity of presenting the company's proposal. He also thanked Bill Marcovecchio and Gina Hirst for their efforts. He said Herriman is a small community and the company is trying to modernize the system more. He said when the company was organized they served the whole area, but now they only serve about 1/3. Other residents are serviced by the conservancy district.

After discussion, Bill Marcovecchio said after reviewing the layout with Gina Hirst he feels it is a good project, and made the motion to authorize the Herriman Pipeline and Development Company project in the amount of \$585,000 (80%) to be purchased in 10 years at 0% interest with annual payments ranging from approximately \$32,000 to \$72,000. Ivan Flint seconded the motion, and it was agreed upon by the Board.

COMMITTAL OF FUNDS

#E035 Davis & Weber Counties Canal Company

Chair Taylor introduced Floyd Baham, manager; Lee Cammack, project engineer; Joe Dawson, Glen Flint, Vernon Flint, Ivan Ray, Gade Pincock and Pete Page. Tom Cox reported last year approximately 2,300 feet of reinforced concrete liner was installed, along with earthwork to stabilize the adjacent hillside. The company is ready to continue the improvements this year by constructing Phase II of the project, which consists of 4,000 feet of 9x8-foot concrete box culvert and appurtenances. The project is estimated to cost \$2.853 million.

Mr. Baham expressed appreciation to the Board for their support and assistance they've provided over the years. He said Dennis Strong had informed him that if funds were committed, money probably would not be available until early spring. He said the company may have to juggle some funds so construction can begin.

Ivan Flint said this project really needs to be done and made the motion to commit funds to the Davis & Weber Counties Canal Company in the amount of \$2.425 million (85%) to be returned to the Board in 30 years at 3.6% interest with annual payments of approximately \$133,600. Warren Peterson seconded the motion and it was unanimously agreed upon by the Board.

#E-056 Deseret Irrigation Company

Tom Cox reported the company is requesting assistance to pipe approximately 12,000 feet of the South Hinkley Canal, and concrete-line about 9,500 feet of the Old Deseret Canal. This is the same as was previously authorized.

Warren Peterson said he was associated with the company and would abstain from voting. Chair Taylor informed the Board members that legal counsel had said since there was a majority of Board members in attendance it was all right to make a motion. Brad Hancock made the motion to commit funds to the Deseret Irrigation Company project in the amount of \$200,000 (80%) to be purchased in six years at 0% interest with escalated annual payments. Ivan Flint seconded the motion and it was agreed upon by the Board. Warren Peterson abstained.

SPECIAL ITEMS

#D 965 Roy Water Conservancy Subdistrict

The sponsor requested financial assistance to help install pressurized lawn and garden systems into four existing subdivisions. The subdistrict has now decided it would rather fund the project on the private market in phases. Ivan Flint made the motion to withdraw the Roy Water Conservancy Subdistrict project from further consideration by the Board. Bill Marcovecchio seconded the motion and the Board agreed.

#D 984 Holmes Creek Irrigation Co.

The company requested financial assistance to install a pressurized sprinkle irrigation system through much of its service area. Because the company has been unable to generate stockholder support for the project, staff recommends the application be withdrawn. Ivan Flint made the motion, seconded by Bill Marcovecchio to withdraw the Holmes Creek Irrigation Co. project from further consideration by the Board. The Board agreed unanimously.

#E 007 Nordic Mountain Water, Inc.

Chair Taylor introduced Aaron LeBlanc and Marilyn Thorstensen. Russ Hadley reported the Board committed funds in June 2000. At which time, the sponsor indicated their well dried up the previous year and an emergency well was installed at a cost of \$55,000. The Board stated it would not be able to commit the additional \$55,000 at that time and suggested the sponsor return for a contract amendment at a later date. The sponsor is requesting the additional \$55,000 at this time along with additional funds for a number of change orders which have increased the cost of the project. Also, they recently discovered 4,900 feet of 4-inch pipe the sponsor thought was 6-inch. This will need to be replaced with new 6-inch pipe along with valving, service laterals, and pavement restoration at a cost of \$208,000.

Marilyn Thorstensen thanked the Board for its initial approval. Ivan Flint made the motion to amend the contract for Nordic Mountain Water, Inc. and return the \$1.654 million (85%) in 25 years at 3.3% interest with increasing annual payments. Warren Peterson seconded the motion and it was agreed upon by the Board.

#L535 Koosharem Town

The town of Koosharem requested financial assistance to improve its culinary water system ; the project is being funded by other agencies, therefore, staff recommends it be withdrawn.

Warren Peterson made the motion to withdraw the Koosharem Town project from further consideration by the Board. Bill Marcovechio seconded the motion and the Board agreed.

#L539 White City Water Improvement District

The Board authorized \$2.085 million to the district to help construct a three-phased culinary water system improvement project. Subsequent to authorization, the district decided to fund the project through the private bond market. Staff recommends the project be deauthorized and withdrawn.

Bill Marcovechio made the motion, seconded by Brad Hancock to deauthorize the White City Water Improvement District project and withdraw it from further consideration by the Board. The Board agreed unanimously.

DIRECTOR'S REPORT

Director Anderson reported to the Board about his recent trip with the seven Colorado River Basin States representatives to Mexico City, Mexico to discuss the Colorado River Delta issues. The seminar was sponsored by the U.S. Government and the Mexican Government. Mr. Anderson said after the terrorist attack on September 11 it was very difficult to concentrate; by noon of the first day about half of the people were gone. He said the majority of the Mexican government leaders talked about the need for more water; but only one person talked about wanting to put water in the Delta. The rest wanted more water for municipal, industrial and agricultural uses. The environmental community, both American and Mexican, want the U.S. and Mexico to sit down and commit to provide water for the Delta. Mr. Anderson feels the governments will agree to talk and do studies to try to learn more about the Delta. Someday they may come to an agreement to provide more water for the Delta. He said the Basin States will be holding a meeting on Columbus Day to try and come to a consensus on what their position will be.

Mr. Anderson stated he had included in the Board folder copies of two memos sent to the governor briefing him about what's happening with the Bear River development project and also the bird refuge and the enlargement of Hyrum Dam. Congressman Hansen has indicated he would include these issues in the Calfed water bill legislation which would authorize federal funding to do a feasibility investigation and environmental study of enlarging Hyrum Dam and also up to 50% federal cost sharing to do a feasibility investigation, and environmental study of the Washakee Dam site.

Director Anderson asked the Board members if they were interested in attending the National Water Resources Association (NWRA) annual conference scheduled for October 30-November 2 in Salt Lake City this year. The division will register all who are interested in attending. The conference ends about noon on November 2. The next Board meeting is scheduled for November 2 and could start about 2 p.m.

Meeting adjourned at 10:35 a.m.